

SECTION 2

UNIFORM APPLICATION INSTRUCTIONS

The following instructions are to be used in completing the Uniform Application Form for Montana Housing Projects. Unless otherwise specified, fill in all blanks (if the question is not applicable, type NA or use a zero in the appropriate space). Please note: this application form was developed using spreadsheet software and automatically calculates totals, etc. If you are manually completing the application, you will need to calculate and enter these figures.

SECTION A -- APPLICANT INFORMATION

1. **Applicant Information:** Type in the official name of the applicant and the name of applicant's chief elected official or executive director; identify the type of entity applying e.g., city, town, county, community housing development organization (CHDO), nonprofit, for-profit); enter the applicant's federal tax identification number; Data Universal Numbering System (DUNS) number (if applicable) ; mailing address, telephone and fax numbers; list the application contact person (the person who is most familiar with and responsible for the information contained in the application and who should be contacted with any questions regarding the application) including their telephone and fax numbers and e-mail address.
2. **Developer/Sponsor:** Enter the complete name of the project developer/sponsor; enter the type of entity (i.e. city, town, county, nonprofit corporation, for-profit corporation, community housing development organization); enter the Developer/Sponsor's federal tax identification number, mailing address, telephone and fax numbers; and the name of a contact person, including their telephone and fax numbers and e-mail address.
3. **Owner:** Enter the official name and type of entity that will ultimately own the project; their federal tax identification number, mailing address, telephone and fax; and the contact person including their telephone and fax numbers and e-mail address.
4. **Development Team:** List other individuals or entities that are part of the development team and their phone numbers. Type 'NA' (not applicable) in the box if the professional(s) listed is not involved with the development of this project.
5. **Development Team and/or Ownership Identity of Interest:** Place an "X" in the box that answers the question as to whether any members of the development team have a direct or indirect, financial or other type of interest with any of the other project team members. Mark either the 'Yes' or 'No' box. If you answer "YES", explain the relationship on the lines provided. Identities of interest are defined as a financial, familial, or business relationship that permits less than arms-length transactions. Such relationships include, but are not limited to, existence of a reimbursement program or exchange, common financial interests, common officers, directors, or stockholders, or family relationships between officers, directors, or stockholders.

* As of October 1, 2003, all federal grant recipients are required to have a DUNS number. This applies to those who submit applications for USDA Rural Development programs. Those who wish to acquire a DUNS number should visit the Dun and Bradstreet website:
http://dunandbradstreet.com/US/duns_update/index.html

SECTION B -- PROJECT INFORMATION

Part I: Project Identification

This box identifies project and the primary project contact information only. The primary project contact is the person that can be contacted who is capable of answering questions concerning the project. Applicant information will be provided in Section A.

Part II: Chief Elected Official

Enter the appropriate information for the Chief Elected Official for the political jurisdiction in which the project will be located.

Part III: Project Description

Enter a brief summary of the proposed project. This should be no more than two or three paragraphs in length and should include all key components of the project. All applicants must provide this.

Part IV: Legal Description

Provide a legal description of the property. Attach, as documentation, maps that show the site location and the surrounding area. Also, indicate the total acreage of the project site to the nearest tenth of an acre.

Part V: Site Control Status

Check the appropriate box. Attach, as documentation, a copy of proof of ownership, option, purchase contract, or long-term lease agreement.

Part VI: Zoning Status

Provide information on any zoning ordinances and restrictive covenants, which apply to the project site. Identify the status of the site regarding local zoning (e.g., site is already zoned, variance(s) required, approval process, time to completion), and attach, as documentation, a letter of proof.

Part VII: Utilities

Provide information on utilities which are either on-site or will be needed to support the proposed housing project. Examples of utilities include, but may not be limited to the following: water, sewer, natural gas, electricity, telephone, TV cable, streets, curbs, gutter, sidewalks, street lighting, and storm drainage. Attach, as documentation, letters of verification from independent sources. If required utilities are not currently available, attach a written explanation of how and when they will be available.

Part VIII: Project Classification, Type, Activity and Anticipated Funding Sources

Place an "X" in all boxes that apply to the proposed project in the Classification, Type of Project, Project Activity and Funding Sources sections. It is possible that more than one box may be checked in each of these sections if the project involves more than one housing activity.

NOTE: The single-family classification includes single-family homes, duplexes, triplexes and fourplexes. The multi-family classification includes apartment buildings with 5 or more units.

Part IX: Type of Units

Enter the number of housing units in the proposed project for each type of unit. Examples of various types of housing units include Single Family Homes, Apartments, Single Room Occupancy (SRO), shelter facility (dormitory, SRO, apartments, or a combination).

NOTE: In Parts IX, X and XI the "Totals" for number of units must match.

Part X: Project Uses

Enter the total number of buildings in the box provided. Enter the square footage and the number of units relevant to the categories provided. The low-income percentage for square footage and number of units is calculated by using the following formula:

$$\text{Percentage} = \frac{\text{Low Income Units}}{\text{Low Income Units} + \text{Market Units} + \text{Commercial Space}}$$

NOTE: In Parts IX, X and XI the "Totals" for number of units must match.

Part XI: Project Beneficiaries

Enter the number of housing units, which will serve the indicated percentage of area median income levels.

NOTE: In Parts IX, X and XI the "Totals" for number of units must match.

Part XII: Targeting of Units/Number of Units

Enter the number of units for each category, as applicable.

Part XIII: Low-Income Compliance Period

Specify the number of years the proposed project will remain available to the households being targeted. Also, indicate whether or not the project will involve tenant-based or project-based rental assistance. If yes, specify: (1) if tenant or project based; (2) assistance program being used; and (3) number of units being assisted.

Part XIV: Implementation Schedule

Indicate in the first column ("Anticipated Completion") the month and year you anticipate each of the listed events to occur. If the event has already occurred, enter the month and year of completion in the second column ("Actual Completion").

NOTE: Enter only actual completion dates in the second column. Do not place NA in the second column if the event has not occurred. Under grant commitments, list the grants applied for and/or awarded as applicable.

SECTION C -- FINANCIAL INFORMATION**Part I: Sources of Funds Statement**

The "Sources of Funds Statement" lists all sources of funding including grant administration sources for the project (including awarded and anticipated sources of funds). If the project requires more funding sources than the 10 spaces provided, please attach an additional sheet.

Complete all information requested for each source of funding. If the information requested does not pertain to a given source, please indicate so by entering a "NA" for not applicable (i.e., a grant will not have a rate, loan term, amortization period or annual debt service).

If using other than a 360 day, monthly payment amortization for debt service, please explain how the debt service is calculated as footnote at the bottom of the page or as an attachment.

Attach, as documentation, copies of all funding commitment letters.

NOTE: The "Total Sources" of funds in this section must match the "Grand Total Project Costs" in Part II - Uses of Funds.

Part II: Uses of Funds

The “Uses of Funds” lists the break out of the projected costs necessary to complete the project.

At the top of each page, in the columns provided, type in the funding sources. (This must match the funding sources listed in Part I - “Sources of Funds Statement” of this section.) You then will indicate which source of funding will pay for each cost. Please verify that if a program is paying for a cost, it is an eligible cost under that program.

Eleven categories segregate the types of costs projected for this project. Each cost must be broken out into the individual line items within each category. Although these costs are only projected at this time, provide as much detail as the line items listed on this schedule. If a cost is not applicable to the project, leave that line blank.

Each individual line item is totaled in the far right column as well as each category being subtotaled with the Grand Total on the third page of the “Uses of Funds” section. All subtotals and the grand total must add correctly.

NOTE: The “Total Uses” of funds in this section must match the “Total Sources” in Part I - Sources of Funds Statement.

Part III: Utility Allowance Information

NOTE: This section must be completed for all rental projects but does not need to be completed for other types of housing projects.

Calculate the “Utility Allowance Information” on this sheet. This form will assist you in calculating the utility allowance deduction for rental properties. Please note, you must use an acceptable source for the utility allowances, such as a Section 8 Utility Chart or a Public Housing Authority Utility Chart for the area in which the project is located.

The type of utility and who pays that utility (the first two columns) must be completed for all projects. If a utility is not offered in the project (i.e., Air Conditioning) enter ‘NA’ for not applicable. All utilities that will be tenant paid must list an allowance for each bedroom size offered in the project. Each bedroom size column then will total your utility allowance deduction for that particular bedroom size. This total then can be used in Part IV “Rent and Forecasted Income” schedule in column “d”. If the owner pays all utilities, your deduction is zero (0) in column “d”.

At the bottom of this form, list the source of utility (e.g., PHA, Section 8, etc.) and the effective date of the utility allowance. Please attach, as documentation, the source of your allowance. To determine if a utility allowance source is acceptable for a particular program, you will need to contact that program.

Part IV: Rent and Forecasted Income

NOTE: This section must be completed for all rental projects but does not need to be completed for other types of housing projects.

NOTE: For HOME and CDBG applications, the assumptions made in the pro forma must be identified and thoroughly explained. For details, see the application guidelines for the HOME and/or CDBG Programs, as applicable.

This form calculates the total annual income, which is available to pay expenses and debt service of the project. A separate line must be completed for each type of unit that is targeting a different median income or has different rent levels. Include the following in each column:

Column "a" -- list the unit type by number of bedrooms

Column "b" -- list the number of units targeted

Column "c"* -- list the gross rent that is being offered for the unit type.

Column "d" -- list the utility allowance from Part III - "Utility Allowance Information" or the type of unit being addressed; if owner pays all utilities enter "0"

Column "e"* -- list the monthly contract rent the project will receive (this amount includes the tenant paid portion of the rent and any rent subsidy received for each unit).

***NOTE:** Column "c" and "e" can be calculated two ways:

- 1) You can enter in the gross rent that is being projected and subtract the utility allowance to arrive at the contract rent, OR
- 2) You can enter in the contract rent and add the utility allowance to arrive at the gross rent being charged.

In either situation, the gross rent for a particular unit cannot exceed the maximum rent of the unit type considering the median income being targeted. This can be determined by comparing gross rent to the maximum allowable rent on the income and rent charts for each program.

Column "f" -- multiply Contract Rent by the number of units

Column "g" -- list the maximum area median income that will be served with the type of unit listed. This column may range from 0% AMI to market rate units. This targeting must match the targeting listed in Section A - Part X "Project Beneficiaries".

Column "h" -- list the average square footage for the type of unit being addressed. If you were to multiply this column by the number of units in column "b" and total all the lines, you should match the square footage of the units listed in Section A - Part IX.

Column "f" -- then will be totaled to arrive at the Gross Monthly Income. The vacancy factor will be calculated by multiplying the vacancy percentage by the Gross Monthly Income. The other project income also must be entered and then the total monthly and annual income can be calculated. Enter the projected annual percentage increase in income. This percentage is used to project the project's income over a 15-year period, and **must be explained and justified**. The rent limits required by HOME, CDBG, Tax Credits, and RD do not necessarily increase from year to year at a fixed rate.

EXAMPLE:

Number of Bdrms	Number of Units	Gross Rent	Utility Allow.	Contract Rent	Total Monthly Rent	Median Income Targeted	Ave Sq. Ft per Unit
1	5	\$ 294	\$ 44	\$250	\$ 1,250	50%	850
1	4	\$ 338	\$ 44	\$294	\$ 1,176	50%	850
1	7	\$ 406	\$ 44	\$362	\$ 2,534	60%	850
2	1	\$ 0	\$ 0	\$ 0	\$ 0	Manager	1,100
2	4	\$ 406	\$ 52	\$354	\$ 1,416	50%	1,100
2	5	\$ 487	\$ 52	\$435	\$ 2,175	60%	1,100

Subtotal - Gross Monthly Income \$ 8,551

less Vacancy Factor 5% \$ (428)

Other Project Income (monthly) \$ 350

Total Forecasted Monthly Income	\$ 8,473
Total Forecasted Annual Income	\$101,676

Projected Annual Percentage Increase in Income: 2.5%

Part V: Annual Operating Expenses

Enter the "Annual Operating Expenses" in the related line items provided on this sheet. These are the estimated expenses needed to operate the project for one year.

Enter the projected annual percentage increase in operating expenses. This percentage is used to project the project's expenses over a 15-year period, and **must be explained and justified**. This rate should reflect projected local operating costs.

Part VI: 15-Year Operating Pro-forma

Use the information from Part IV - Rent and Forecasted Information and from Part V: Annual Operating Expenses, to complete the "15-Year Operating Pro-forma". This form projects the operations of the project over 15 years.

The formulas are as follows:

Net Income Avail. for Debt Service = Rent – Oper. Exp. - Replacement Reserves

Net Cash Flow = Net Income Avail for Debt Service - Debt Service

Debt Coverage Ratio = Net Income Avail. for Debt Service / Debt Service